

Technical Rule no. 04 Rev. 9 ME

(under Article 4 of the Integrated Text of the ME Rules, approved by the Decree of the Minister of Productive Activities of 19 December 2003, as subsequently amended and supplemented)

Title	Submission, compliance, allocation and return of guarantees
Reference Legislation	Article 79, paras. 79.3 and 79.4, Article 80, paras. 80.8 bis and 80.9 of the Integrated Text of the ME Rules

In force from 1 October 2024

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1. FOREWORD

Article 79, paragraph 79.3, of the ME Rules provides that as an alternative or as an addition to the guarantees provided in the form of a bank guarantee, participants may provide guarantees in the form of a non-interest-bearing cash deposit to be paid into the bank account held by GME at the treasury institute according to the procedure defined in the Technical Rules. The PA participants shall submit guarantees exclusively in the form of a non-interest-bearing cash deposit to be paid into the bank account held by GME at the treasury institute pursuant to Article 78 of the ME Rules according to the provisions of the Technical Rules.

Article 79, paragraph 79.4, of the ME Rules provides that the participant shall allocate the amount of the financial guarantees posted, in the form of bank guarantee, or in the form of non-interest-bearing cash deposit, according to the procedures defined in the Technical Rules.

Article 80, as of paragraphs 80.8 bis and 80.9, of ME Rules provides that the participant may at any time request the return of the bank guarantees or of the non-interest-bearing cash deposit provided as a guarantee and that the request is accepted upon positive verification by GME of the amounts for which the requesting Market Participant proves to be a debtor. Furthermore, according to these provisions, if the verification of the request for the return is successful, the modification of the amount covered by the guarantee will be immediately valid for the purpose of the adequacy verifications and GME will return the guarantee in accordance with the procedures provided for in the Technical Rules. In the event of an increase in the deposit, the participant shall pay, in the manner described in the Technical Rules, the related amount to the bank account held by GME at the treasury institute.

2. SUBMISSION OF DEPOSIT

The submission or the increase of the deposit must be carried out by the Market Participant through SEPA Credit Transfer with Priority or equivalent procedures from the bank account whose bank details have been previously communicated to GME pursuant to Article 17, paragraph 17.1 of ME Rules according to the modalities identified in Technical Rule no. 8 ME.

3. ALLOCATION OF GUARANTEES

A Market Participant who/which has provided guarantees to GME, both in the form of bank guarantees and non-interest-bearing cash deposits, is required, pursuant to Article 79, paragraph 79.4, of the ME Rules, to allocate the amounts of the guarantees on the different markets/platforms on which he/she/it may or wishes to operate, by submitting a declaration to GME, made by the legal representative, or by another person with the necessary powers, supplemented with the identity document of the same person and drawn up in accordance with the form published on GME's website. In this declaration the Market Participant, according to the type of guarantee provided (bank guarantee or non-interest-bearing cash deposit), as well as the form of bank guarantee provided, must indicate the amount of the guarantee that he/she/it wishes to allocate to cover the settlement of payables arising in/on:

- a) netting markets¹
- b) MPEG;
- c) MTE2;
- d) MT-GAS³;
- e) PCE⁴.

Lacking such a declaration, the amount of the guarantees will be entirely allocated by GME to cover the payables arising in the netting markets.

The declarations can be re-posted at any time if the Market Participant wishes to change the allocation of the guaranteed amount to cover the payables.

Except as provided for in the case of declarations that entail a decrease in the amount previously allocated, the declarations, in order to verify the adequacy of the offers, are valid within the second working day of their receipt by GME, or from the date specified by the Market Participant in the aforementioned declaration, provided that such date falls after the second working day following that of receipt by GME of said declaration.

¹ If the Market Participant is also admitted to the MGAS, the portion indicated in the netting markets will be automatically extended also to cover payables arising on the netting markets of the MGAS.

² The allocation of the guarantee in the MTE is possible only if the Market Participant has posted guarantees in the form of a non-interest-bearing cash deposit or in the form of a bank guarantee with no expiration date.

³ The allocation of the guarantee in the MT-GAS is possible only if the MGAS Market Participant has posted guarantees in the form of a non-interest-bearing cash deposit or in the form of a bank guarantee with no expiration date.

⁴ If the Market Participant is also admitted to the PCE.

If the declaration entails a decrease in the amount previously allocated to cover the payables that may arise on the PCE, in the ME or the MGAS, GME will accept the request, after verifying that the amounts on the PCE, in the ME or MGAS for which the applicant Market Participant is exposed are adequately covered by the guarantee, and the same, following a positive verification, will have immediate effect for the purpose of the adequacy verifications.

4. RETURN OF GUARANTEES

Pursuant to Article 80, paragraphs 80.8 bis and 80.9 of the ME Rules, the Market Participant may at any time request:

- the return of the bank guarantees posted pursuant to Article 79, paragraph 79.1 of the ME Rules;
- the refund, even partial, of the amount paid pursuant to Article 79, paragraph 79.3 of the ME Rules.

The acceptance of these requests is subject to GME's positive verification of the amounts for which the requesting Market Participant is a debtor. If the verification has a positive outcome, the modification of the amount covered by the guarantee will be immediately valid for the purpose of the adequacy verifications and GME:

- in case of a bank guarantee, shall inform the Market Participant of the immediate effect of the modifications requested to the treasury institute to provide for the return of the guarantee to the address shown in the text of the bank guarantee or alternatively to the references indicated by the Market Participant in the return request;
- in case of a non-interest-bearing cash deposit, shall repay it to the bank account indicated by the Market Participant pursuant to Article 17, paragraph 17.1 of the ME Rules in accordance with the procedures referred to in the previous paragraph 2 via SEPA Credit Transfer Urgent/Priority.

